



Lireas

Insurance investment specialists

Pioneering & Breaking New Ground

TWENTY FIVE YEARS ON

Lireas Conference 2013

1988 saw Lireas invest in its first UMA and 25 years later we are celebrating two and a half decades of passionately supporting this model. We owe our success to our partners, shareholders and the risk carriers that provide the capacity and paper to allow these insurance partners to run their specialist businesses in the successful way they have done over the years. We found it fitting and an honour for us to say "thank you" in a special way, and off to Hannover in Germany we went for our annual conference. We were amazed at the personal interest that the Hannover Re global group's non-Life Chief Operating Officer and Hannover Re Africa Chairman Jürgen Graber took in hosting us and facilitating the preparations for this momentous trip and conference for Lireas and its partners.

The feedback from our partners is that they found this trip and conference extremely special, from the pre-conference interactions, the learning and sharing sessions between Lireas partners and Hannover's global colleagues, to the social activities that were part of the trip and experience. Outside of the serious conference business, we were fortunate to enjoy a feel of the life in Hannover as well as fine German Cuisine. We were also fortunate enough to experience the Maschsee Festival, an annual food and beer festival that happens around the Maschsee Lake annually, as well as a visit to the historical Herrenhausen Gardens and the Hannover Zoo.



Party Time - Natasha Maroun of Gem & Jewel at the Maschsee Festival in Hannover.



Dragon Boat racing: The Lireas Partner boat on the Maschsee Lake.

Why the celebrations and reason for our special trip to Hannover?

We are celebrating a number of things, our partners' success, the UMA model which has stood the test of time and the value that UMAs have brought to the insurance industry in South Africa and the wider economy.

Lireas is considered the pioneer of the Underwriting Agency model in South Africa and we remain extremely passionate about UMAs and convinced of the value they bring our to industry and the Lireas Group. 25 years ago, the UMA model was uncharted waters in South Africa and it took courage to venture onto this voyage backed with just ideas, vision and the conviction to step outside of conventional thinking.

Global experiences

The Agency model has not only succeeded in South Africa but has also become an integral part of other insurance markets such as the UK, USA, Canada and Australia. Three Lireas team members namely George Parrott, Douglas Haig and Isaac Chindotana had the opportunity to present their experiences on the South African Agency model and insurance market to colleagues at our sister company, Inter-Hannover in London. This was a beneficial information sharing session which highlighted how the agency models in both markets share very similar attributes as well as challenges and opportunities. The same trip also afforded the trio an opportunity to visit and tour the Lloyds insurance market in London – another unforgettable experience.



Global Experiences - Andreas Piegsa (Hannover Re Germany), Anders Larsson (Inter Hannover Consultant), Paul Carragher (Compass Insurance), Rory Gainsford (SUM Holdings), Thomas Barenthein (Inter Hannover, Scandinavia)

The scope for shared thinking and collaboration in areas such as product development, technology and training is huge for us and we look forward to building on the initiatives taken so far, with our Hannover Re colleagues across the globe.

Venturing into UMAs

Looking back at Lireas' journey, we draw a lot of parallels with the famous American Industrialist, Henry Ford. Henry did not invent the automobile nor the assembly line but more than any other single individual, he was responsible for transforming the automobile from an invention of unknown utility into an innovation that profoundly shaped the 20th century and continues to affect our lives today.

Innovators change things. They take new ideas, sometimes their own, sometimes other people's, and develop and promote those ideas until they become an accepted part of daily life. Innovation requires self-confidence, a taste for taking risks, leadership ability and a vision of what the future should be. Henry Ford had all these characteristics, but it took him many years to develop all of them fully. A number of specialist UMAs in the South African market have a similar story to tell.



Men in Black: Off to celebrate the annual L'Oscars at the Hannover Zoo.

Supporting Entrepreneurship

One of the greatest attributes of the UMA model is the way it facilitates and cultivates entrepreneurship. A number of the UMAs in the market have grown from being a one or two 'man' show to employing in excess of 100 employees in their businesses. The downstream benefits would also include employment creation in other industries and functions in the insurance value chain.

Entrepreneurship and small to medium sized enterprises have proven to be a catalyst to the development of some of the successful countries in the world. In this regard, Lireas is proud to be a part of this entrepreneurial thinking.



The colour is purple: Bettina Rienecke (Hannover Re Germany), Randolph Moses (Hannover Re Africa), Valerie Hayter (Lireas Holdings), Anna Mullins (Camargue Underwriting Managers)

We challenge individuals to continue identifying areas of business and ways of life where insurance products can be developed and marketed with commercial success. We are ready to assist such individuals in developing their ideas and setting up appropriate insurance vehicles and partnerships that can help them achieve their dreams.

What does it take to be involved in this business?

Like starting or acquiring any business, not everyone succeeds at it. It is really hard work and takes a certain kind of individual, the right skills, attributes, drive and attitude to succeed.

One of the most treasured pieces of feedback we have received from our partners is how we have made some of their dreams become a reality. In some of the business opportunities we have evaluated over the years it has been gratifying to note how we have played a part in turning a rough stone into a polished diamond.

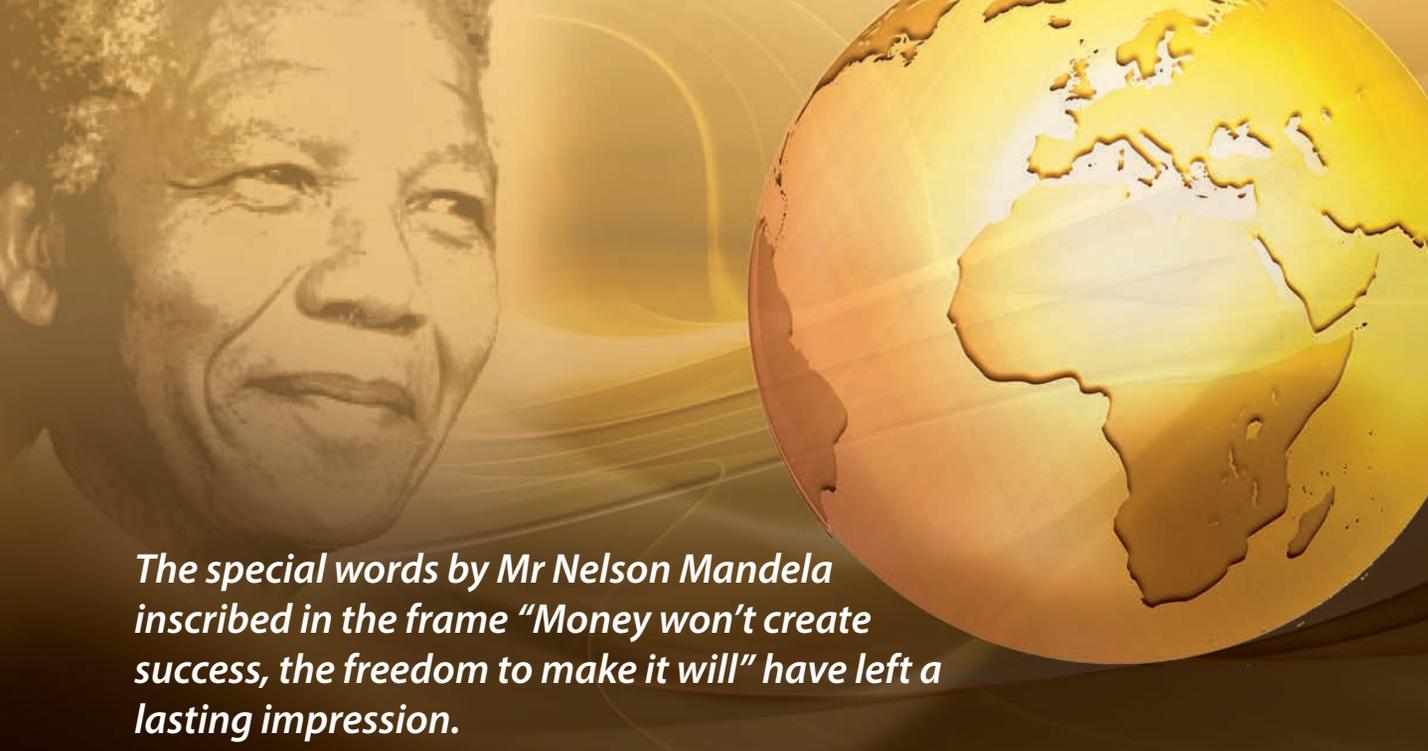
Lireas strives hard to continue adding value to our business partners into the future but this becomes a bigger challenge as the businesses mature in the case of start-ups or as the merger solidifies in cases where we have acquired and merged businesses.

What value have we added to our partners businesses?

One of the most attractive elements of the UMA model especially with a partner such as Lireas is the operating autonomy that the UMA owner-managers enjoy. Lireas supports the UMAs with start-up capital as well as with operational and strategic activities. In return, Lireas and its partners receive profitable growth and excellent financial returns. Whilst not stifling the entrepreneurial flair of our partners, we also believe that sound corporate governance and compliance with regulations is a crucial backbone for sustainable businesses. Our partners have often shared with us how Lireas has assisted them in bringing in good structures, on-going corporate governance in addition to the usual "day one" value adds that we assist them with from the onset.

Typical day to day activities that we assist our partners with range from assisting them in evaluating and concluding a lease deal for new office premises to more involving and technical activities like mergers and acquisitions as well as delicate matters such as staff, regulatory and compliance matters.

"In our view the UMA model can only evolve for the better - as the world changes the way it does business - in virtually every type of business throughout the world."



The special words by Mr Nelson Mandela inscribed in the frame "Money won't create success, the freedom to make it will" have left a lasting impression.

At the Lireas Conference in Germany our partners presented us with a special gift in appreciation of the long standing partnerships we have built and enjoyed with them over the years....



Valerie Hayter accepting the framed gift from Lireas' partners

Where are we going and what could change – the vision

Whilst some view the industry as one in turmoil given the market conditions and changing regulatory environment, Lireas would like to view this situation as one that should create opportunities as opposed to threats. There are a number of initiatives that are for the good of the industry that we would like to pursue and see how we can benefit from them or in the least, add value. Lireas continuously challenges itself in important areas such as transformation, attracting

and retaining talent in the industry and taking our successful models to other parts of Africa and the rest of the world.

In our view the UMA model can only evolve for the better - as the world changes the way it does business - in virtually every type of business throughout the world.



Team Lireas – Douglas Haig (Corporate Finance Consultant), George Parrott (Portfolio Manager), Valerie Hayter (MD), Isaac Chindotana (Portfolio Manager)



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